

## MICHIGAN Offer in Compromise

Issued under authority of Public Act 122 of 1941 and Public Act 240 of 2014.

To submit an Offer in Compromise, the following **must be true**:

- The taxpayer must have filed required returns for all tax periods.
- The taxpayer must have been issued a final assessment by the Michigan Department of Treasury and the opportunity to contest and appeal the tax assessment must have expired.
- The taxpayer must have no open bankruptcy proceedings.

You **must** include the initial offer payment of \$100 or 20% of your offer, whichever is greater, with your Offer in Compromise.

### PART 1: TAXPAYER INFORMATION

#### INDIVIDUAL TAXPAYER

Filer's First Name	M.I.	Last Name	Social Security Number	
If a Joint Offer, Spouse's First Name	M.I.	Last Name	Spouse's SSN	
Filer's Telephone Number		Spouse's Telephone Number		
Address		City	State	ZIP
Mailing Address (If Different from Above)		City	State	ZIP

#### BUSINESS TAXPAYER

Business Name (if business assessments are included in the offer)				
FEIN, ME or TR Number		Telephone Number		
Address		City	State	ZIP
Mailing Address (If Different from Above)		City	State	ZIP

### PART 2: REASON FOR OFFER

☐ **I have received an accepted federal offer in compromise.**

Complete and attach the *OIC Schedule 1 — Information Supporting a Request for a Michigan Offer in Compromise Based on Receipt of a Federal Offer in Compromise* (Form 5182), and include all documents requested in the instructions.

☐ **I am unable to pay the tax.** (See instructions for more information on doubt as to collectability.)

Complete and attach the *OIC Schedule 2A (Individuals) — Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability* (Form 5183) or *OIC Schedule 2B (Businesses) — Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability* (Form 5184) as applicable, and include all documents requested in the instructions.

☐ **I do not believe I owe the tax.** (See instructions for more information on doubt as to liability.)

Complete and attach the *OIC Schedule 3 — Offer in Compromise Based on Doubt as to Liability* (Form 5185), and include all documents requested in the instructions.

#### FOR TREASURY OFFICE USE ONLY

Date Offer in Compromise Payment Received	Amount of Initial Offer in Compromise Payment
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Social Security Number,  
FEIN, ME or TR Number**PART 3: OFFER AND PAYMENT TERMS**

Fill in the total offer amount, the initial offer payment amount included with this Offer in Compromise request, and the remaining balance below. Then select the proposed method of payment if the Offer in Compromise is accepted.

You **MUST** include an initial offer payment of 20% of the total offer amount or \$100, **whichever is greater**. This is a nonrefundable payment that will be applied to the outstanding balance of the tax debt owed. All payments must be in U.S. dollars. Do not send cash. Do not combine it with any other tax payments, as this may delay processing of your offer. (See instructions for a mailing address and other payment details.)

Total Offer Amount	-	Initial Offer Payment: The Greater of 20% of Total Offer Amount or \$100	=	Remaining Balance
\$	-	\$	=	\$

☐ **Lump Sum** — Check if payment of the remaining balance will be made within 30 days of the date the Offer in Compromise is accepted.

**NOTE:** Failure to make the lump sum payment within 30 days of the date of acceptance of the offer may result in the Offer in Compromise being revoked and the entire uncompromised tax debt reinstated.

☐ **Installment plan over 5 (or fewer) months** — Check if payment of the remaining balance will be made over 5 or fewer months from the date the Offer in Compromise is accepted. The payments may be in unequal amounts, but the total must be equal to the remaining balance calculated above. Complete the table below detailing the amount of each payment.

INSTALLMENT PAYMENT DETAILS		
Amount of payment 1	\$	payable within 30 days after acceptance
Amount of payment 2	\$	payable within 60 days after acceptance
Amount of payment 3	\$	payable within 90 days after acceptance
Amount of payment 4	\$	payable within 120 days after acceptance
Amount of payment 5	\$	payable within 150 days after acceptance

**NOTE:** Failure to make the monthly payments agreed to may result in the Offer in Compromise being revoked and the entire uncompromised tax debt reinstated.

☐ **Installment plan of 6 months or more** — Check if payment of the remaining balance will be made over a period of 6 months or more after the date the Offer in Compromise is accepted. You should pay the remaining balance in as short a time as reasonably possible, and generally not more than 24 months past the date the Offer in Compromise is accepted. Treasury may permit a payment period of greater than 24 months if circumstances support a longer period of time. The payments must be in equal amounts. Complete the table below detailing the amount of each payment, the date of each month that payment will be due, and the number of months needed to complete all payments.

INSTALLMENT PAYMENT DETAILS		
Amount to be paid each month	Date of each month the payment will be due	Total number of months

**NOTE:** Failure to make the monthly payments agreed to may result in the Offer in Compromise being revoked and the entire uncompromised tax debt reinstated.

**PART 4: SOURCE OF FUNDS**

Indicate where you will obtain the funds to pay your offer. Be specific as to the source and the amount. For example, if borrowing from family or friends, obtaining a loan from a bank or lender, or withdrawing from or liquidating a 401(K) or IRA account, provide detailed information regarding the source and the amount.

**PART 5: OFFER TERMS AND CONDITIONS**

**NOTE: In the following agreement, the pronoun “we” may be assumed in place of “I” when there are joint liabilities and both parties are signing this Offer in Compromise.**

By submitting this offer, I have read, understand and agree to the following terms and conditions:

- a) I voluntarily submit all payments made on this offer.
- b) Treasury will apply the amount paid with this offer to the outstanding balance of the tax debt owed. Treasury will not return or refund the amount paid with this offer whether the offer is accepted or rejected, or if I withdraw the offer. The date Treasury receives the offer remittance will be considered the date of payment.
- c) Treasury will keep all payments and credits made, received, or applied to the total original tax debt before the Offer in Compromise is received by Treasury. None of the payments or credits received by Treasury prior to the submission of the offer may be included as part of the offer amount.

If I currently have an approved installment agreement with Treasury and am making installment payments, I may stop making those installment payments when I have been notified that my offer has been received and is pending review. If my offer is rejected my installment agreement with Treasury will be reinstated with no additional fee, and I must resume the installment payments under the terms and schedule of the installment agreement.

- d) I remain responsible for the full amount of the tax debt, unless and until Treasury accepts the offer in compromise in writing and I have met all of the terms and conditions of the offer in compromise.
- e) Any compromise with Treasury is subject to continuing review by Treasury. Treasury may revoke any compromise made and may reestablish the full uncompromised tax debt, plus any accrued interest and penalty, without regard to any statute of limitations that otherwise may apply if any one of the following occurs:
  - Treasury determines that I concealed from Treasury any property, assets or income to induce a compromise.
  - Treasury determines that I, with the intent to mislead, withheld, destroyed, mutilated, or falsified any book, document, or record or made a false statement relating to my or another person’s estate or financial condition to induce a compromise.
  - I fail to comply with any of the terms and conditions relative to the Offer in Compromise or fail to file subsequent required returns and pay subsequent final tax liabilities within 20 days after Treasury issues a notice and demand to file or pay the tax.

If Treasury revokes an Offer in Compromise, the amount of the uncompromised tax debt will become due and payable, and Treasury may immediately undertake all actions authorized by law to collect the remaining balance of the tax debt.

- f) Treasury will not levy against property to collect the tax debt sought to be compromised while the offer in compromise is pending review unless Treasury determines that the offer is intended to delay collection of the tax debt or Treasury has issued a jeopardy assessment under MCL 205.26.

Social Security Number,  
FEIN, ME or TR Number**PART 5: OFFER TERMS AND CONDITIONS — CONTINUED**

- g) I may not request an informal conference with Treasury or contest in any tribunal or court Treasury's rejection of my offer in compromise or the amount of any accepted offer in compromise.
- h) Interest on any unpaid tax debt shall continue to accrue until paid. Interest shall be calculated at the annual rate of interest applicable to unpaid Michigan tax deficiencies, as set forth in section 23 of the Revenue Act, MCL 205.23, and in Revenue Administrative Bulletin 2013-5, and subsequent Revenue Administrative Bulletins that revise annual interest rates.
- i) Except for the availability of Treasury's independent administrative review, a rejection by Treasury of an offer in compromise is final and not subject to further challenge or appeal to any tribunal or court.
- j) Any compromise entered into with Treasury shall be placed on file with Treasury, and a written report outlining the basis for the compromise and, at a minimum, all of the following information, will be published on Treasury's Web site:
- The amount of tax assessed;
  - The amount of interest or assessable penalty imposed by law;
  - The terms of the compromise and the amount actually paid in accordance with the terms of the compromise; and
  - The grounds for the compromise.

Treasury by statute may be required to disclose my return information to members of the general public to the extent necessary to permit inspection of the accepted offer in compromise relating to the liability for the tax imposed.

**PART 6: TAXPAYER CERTIFICATION**

Under penalty of perjury, I declare that I have examined this offer, including accompanying schedules and statements, and certify to the best of my knowledge and belief, it is true, correct and complete.

Taxpayer's Signature		Date
Signature of Taxpayer's Spouse		Date
Business Taxpayer: Authorized Signature		Date
Authorized Signer's Name (Print or Type)	Title/Position	Telephone Number

**PART 7: THIRD PARTY DESIGNATED REPRESENTATIVE**

- ☐ By checking this box, I authorize the Michigan Department of Treasury to discuss with and to provide a copy of any papers or correspondence relating to this Offer in Compromise to a third party designated representative identified below.

**NOTE:** The taxpayer is required to complete and file the *Authorized Representative Declaration (Power of Attorney)* (Form 151).

Designee's Name	Telephone Number
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